



(TRANSLATION)

AF. 031 / 2021

August 13, 2021

Subject Explanation of the operating performance for 3-month period ended June 30, 2021

To Managing Director

The Stock Exchange of Thailand

Pan Asia Footwear Public Company Limited would like to submit the report of Management Discussion and Analysis for the 3-month period ended June 30, 2021 which has been unaudited but reviewed by the auditor this is caused by followings:

The Operating results of the company and its subsidiaries Explanation of the operating performance for the 3-month period ended June 30, 2021 as in the consolidate financial statement has net loss 1.56 Million Baht, decrease of 8.16 Million Baht or 83.99% comparing to the same period last year. Loss to equity holders of the parent is 1.66 million baht decrease of 7.85 Million Baht or 82.55% comparing to the same period last year, this is caused by followings:

Consolidated financial statements

Revenues

Total revenues from sales of 176.92 Million Baht was 52.58 Million Baht or 55.09% increase from the same period last year. This was the result from in quarter 2 of 2020 some customers have temporarily stopped their operations from COVID-19 pandemic.

Expenses

Total expenses 195.09 Million Baht increase 54.56 million baht from the same period last year or 38.82% this was the result of increase in the cost of sales and hire of work 166.33 Million Baht increase of 51.21 Million Baht or 44.30% the increase in sales revenue.

Gain and reversal of impairment loss (impairment loss) in accordance with TFRS 9

- **Reversal (loss) on expected credit loss** of 3.40 Million Baht due to received payment from accounts receivable

Reversal of allowance for impairment of investments in Related parties Thai Takaya Co. Ltd amount of 2 Million Baht from Refunding investment. The values of asset acquired cash received the amount of 1.23 million baht and record **Gain (loss) from dissolution of Related parties** amount of (0.77) Million Baht.



Gain(loss) on disposal of investments in associates amount of 4.84 Million Baht due to the Company and its subsidiaries have disposed ordinary shares of PA Capital Company Limited totaling Baht 4.84 million.

Seperate financial statements

Revenues

Total revenues of 19.06 Million Baht was 8.07 Million Baht or 73.48% increase from the same period last year. This was the result from there is a dividend income of 10.05 million baht from its subsidiaries of 10 million baht (Advantage Footwear Co., Ltd. 3.81 Million Baht and Pek Industry Co., Ltd. 6.19 Million Baht) and from in Related parties Sahapat properties Co., Ltd. amount of 0.05 Million Baht

Expenses

Impairment loss from investments in associates amount (0.85) Million Baht due to 2 subsidiaries companies paid debt in ordinary shares of PA Capital Company Limited record the total amount of impairment loss from investments in associates.

Reversal of allowance for impairment of investments in associates PA Capital Co. Ltd. amount of 67.54 Million Baht. Cash received form disposal of investments amount 3.83 Million Baht and the record **Gain(loss) on disposal of investments in associates** amount of (63.71) Million Baht

Reversal of allowance for impairment of investments in related parties Thai Takaya Co. Ltd. amount of 2.31 Million Baht from Refunding investment. The values of asset acquired cash received the amount of 1.23 million baht and record **Gain (loss) from dissolution of Related parties** amount of (1.08) Million Baht.

The consolidated financial statements of the group of businesses for 3-month period ended June 30, 2021 net loss of 1.56 million baht Equity holders of the parent is 1.66 million baht. The net loss per share is calculated at 0.003 baht per share. The financial statement of the separate financial statements shows the net profit of 9.37 million baht. The net profit per share is calculated at 0.017 baht per share.

Please be informed accordingly.

Yours faithfully,

Sommat Khunset

(Mr. Sommat Khunset)

Managing Director